

Washington State Health Care Authority selects Medicaid Recovery Audit Contractor (RAC)

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OLYMPIA – The Washington State Health Care Authority has selected CGI Federal as a new Medicaid Recovery Audit Contractor (RAC) to help review Medicaid payments and identify payment errors - both overpayments and underpayments.

"The overpayments will be recovered for taxpayers, and underpayments will be adjusted to a correct level for providers," said Health Care Authority Director Doug Porter, noting that the RAC program is part of an anti-fraud and anti-waste initiative required under the Affordable Care Act. A key feature of the RAC program is that its reviews will be based on the state's data, not federal extracts.

"This is another front in our continuing efforts to identify, correct and prevent improper Medicaid payments," Porter said. "The other important control we have been given under the ACA is the tools to more effectively screen providers when they apply to become Medicaid providers, and we are working now to add those checks to the process this summer."

Porter said the new audit contractor would also work with the Health Care Authority staff to develop educational and outreach materials about RAC activities.

Under the contract, CGI will initially focus on inpatient hospital claims reviews. CGI will be paid by receiving 9.9 percent of the improper payments it recovers.

Porter said the RAC audits are especially promising because they will take their direction from state administrators familiar with billing patterns and anomalies.

"We think we can set the bar for recoveries far higher when people who are familiar with the local health care systems can assist the RAC teams in targeting their inquiries."

FOR ADDITIONAL BACKGROUND, CONTACT:

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